GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:745
ANSWERED ON:22.11.2002
BENEFITS OF SCTL SCHEME
PUTTASWAMY GOWDA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether Karnataka Government and Coffee growers of the State have urged the Union Government to liberalise the rules and restrictions of Special Coffee Term Loan Scheme (SCTL) at present only 5% of growers are utilising the benefit of SCTL;

(b) whether the Government have called a meeting of Reserve Bank officials, Coffee growers and public representatives recently;

(c) if so, the major decisions taken in the meeting to provide more facilities like housing, transportation, etc. under SCTL to Coffee growers; and

(d) the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d) After the announcement in July 2002 of a new relief package for coffee sector viz. Special Coffee Term Loan (SCTL) 2002 by the Reserve Bank of India, requests have been received from various quarters for liberalising the terms and conditions of SCTL package. On the basis of requests made by coffee growers associations/Members of Parliament / Govt. of Karnataka etc., this package was further improved to effectively address the concerns of the growers. Under the improved package, the banks have been empowered to raise the repayment period to 9 years and above and also the moratorium period from 2 to 3 years after making assessment on merits of the individual cases. Further, a number of long term loans components such as estate purchase loans (where growers had substantial stake), vehicle loans (tractor, jeep etc.), house loans (at the farm or in same Taluk) which were earlier excluded from the purview of the SCTL have been included, if these could be related to coffee related operations. Regarding the condition to repay 75% of previous dues to be eligible for fresh loans, the banks now can take a decision in the matter on a case by case basis, subject to approval by their respective Boards.

The progress of implementation of SCTL package is being closely monitored by the Govt. of India. Recently, in a meeting convened by the Govt. with the representatives of leading commercial banks involved in coffee loaning activities, the Banks were requested by the Govt. to ensure that the benefits envisaged under the package are fully available to the growers, by being more flexible in dealing with the problem of the coffee growers, particularly those relating to fresh crop loans, within the overall guidelines issued by RBI with respect to the SCTL. The Banks have agreed to the following measures to provide further relief to the coffee growers:

- Deferment of interest due during the current year on the coffee loans, to be recovered over the next three years.

- For sanctioning fresh crop loans, the Banks will adopt a flexible approach relating to repayment of crop loans availed by the coffee growers earlier.

- The option of availing of the benefits under the SCTL would be available to the growers till 31.12.2002.

Further, at the request of the Government, the National Bank for Agricultural And Rural Development (NABARD) has also set up a `Plantation Industry Cell (PIC)`, for providing prompt attention to the credit related problems of the plantation industry.

The Banks and Coffee Board through their extension network have been disseminating the information regarding relief packages to the coffee growers for successful implementation of SCTL package.